

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE

MEETING MINUTES

November 14, 2007

The Health Benefits Committee met on Wednesday, November 14, 2007, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:57 a.m. with the following members present:

George Diehr, Chair
Priya Mathur, Vice Chair
Terrence McGuire representing John Chiang
Rob Feckner
Greg Beatty representing David Gilb
Steve Coony representing Bill Lockyer
Tony Oliveira
Charles Valdes

Excused: Marjorie Berte

Other Board members present: Robert Carlson Kurato Shimada Maeley Tom

AGENDA ITEM 2 – APPROVAL OF THE OCTOBER 16, 2007, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The October 16, 2007, Health Benefits Committee meeting minutes were approved as presented.

AGENDA ITEM 3 – INTERIM BOARD HEALTH BENEFITS CONSULTANT REPORT (WATSON WYATT)

As an information item, Watson Wyatt provided the Committee with a status report and update on the Five-Year Plan, looking at the single administrator and pharmacy benefit carve-out.

AGENDA ITEM 4 – CALIFORNIA REGIONAL HEALTH INFORMATION ORGANIZATION EMERGENCY ROOM DATA TRANSFER OVERVIEW

As an information item, Dr. Donald Holmquest California Regional Health Information Organization (CalRHIO) provided an overview of the CalRHIO Emergency Room Data Transfer System. Staff was instructed to provide an analysis of the feasibility of the CalRHIO proposal by the February 2008 Health Benefits Committee meeting.

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AGENDA ITEM 5 – CaIPERS HEALTH PLANS MENTAL HEALTH SERVICES OVERVIEW PANEL (PANEL DISCUSSION)

As an information item, representatives from Blue Cross of California gave a brief overview of the various programs that they operate for CalPERS, Blue Shield of California focused specifically on action plans they have in place that allow Blue Shield to continually improve upon their performance towards targeted mental health measures that CalPERS and other major purchasers focus on, and Kaiser presented information regarding their mental health services.

At this time, the Health Benefits Committee meeting recessed for lunch and reconvened at 1:30 p.m.

AGENDA ITEM 6 - PUBLIC AGENCY RECRUITMENT AND RETENTION

As an information item, Holly Fong, Chief, Office of Employer and Member Health Services, provided the status of the recruitment and retention efforts for public agencies and schools in the PEMHCA program.

AGENDA ITEM 7 – REQUEST FOR PROPOSAL – BOARD HEALTH CONSULTANT INTERVIEWS AND SELECTIONS

The Committee interviewed AON Consulting, Buck Consultants LLC, Pricewaterhouse Coopers LLP, and Watson Wyatt Worldwide for the selection of a Board Health Consultant.

On **MOTION** by Dr. George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve the selection of Watson Wyatt Worldwide as the finalist and further direct that staff begin contract negotiations for RFP number 2007-4365, and that in the event that staff, in its discretion, concludes that negotiations are unsuccessful, staff should begin contract negotiations with the next highest scoring finalist, AON Consulting, until agreement is reached.

AGENDA ITEM 8 – 2007 SECOND QUARTER SELF-FUNDED HEALTH PLANS FINANCIAL REPORT

As an information item, Marcine Crane, Chief, Office of Health Plan Administration, provided information on the 2007 second quarter self-funded health plans financial report. Staff was instructed to provide a report by the December 2007 meeting from our Health Maintenance Organization partners on how they manage their reserves and what returns they see every year.

AGENDA ITEM 9 – ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, reported briefly on the status of the 2007 Open Enrollment. Due to the fires in southern California and for affiliated foundations and associations, CalPERS extended Open Enrollment until November 16th. Mr. Franklin also provided an update on the Health Plan Single Administrator Request for Information, and the Pharmacy Benefit Carve-Out study.

AGENDA ITEM 10 – PROPOSED AGENDA FOR DECEMBER 18, 2007, HEALTH BENEFITS COMMITTEE MEETING

The proposed agenda for the December 18, 2007, Health Benefits Committee was accepted with the addition of an item to address the financial status of the CalPERS Health Maintenance Organization plans.

AGENDA ITEM 11 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 4:27 p.m.

The Chair announced that the Health Benefits Committee Closed Session was cancelled.

The next meeting of the Committee is scheduled for December 18, 2007 in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

FRED BUENROSTRO	
Chief Executive Officer	